

B. Tax Model

Appendices

B.1. Source Code of `cpi.sas`

This appendix lists the source code of `cpi.sas`. This file defines a format to map calendar years into the corresponding (projected) Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI). Future values are based on intermediate assumptions of OASDI Board of Trustees (1998).

Source: Years 1950 through 1997 from Table 3.C4 of the 1998 Annual Statistical Supplement (rescaled such that 1998 is 100). Projections for years 1997 through 2075 from Table III.B1 of OASDI Board of Trustees (1998). Projections for individual years after 2007 were interpolated linearly.

Source Code

```
proc format;
value cpi
  1950 = '15.29'
  1951 = '16.20'
  1952 = '16.32'
  1953 = '16.45'
  1954 = '16.32'
  1955 = '16.39'
  1956 = '16.87'
  1957 = '17.36'
  1958 = '17.67'
  1959 = '17.98'
  1960 = '18.22'
  1961 = '18.34'
  1962 = '18.59'
  1963 = '18.89'
  1964 = '19.08'
  1965 = '19.44'
  1966 = '20.12'
  1967 = '20.73'
  1968 = '21.70'
  1969 = '23.05'
  1970 = '24.33'
  1971 = '25.13'
  1972 = '25.98'
  1973 = '28.25'
  1974 = '31.73'
  1975 = '33.93'
  1976 = '35.58'
  1977 = '37.97'
  1978 = '41.39'
  1979 = '46.89'
  1980 = '52.76'
  1981 = '57.47'
```

```
1982 = '59.67'  
1983 = '61.94'  
1984 = '64.38'  
1985 = '66.83'  
1986 = '67.56'  
1987 = '70.56'  
1988 = '73.67'  
1989 = '77.10'  
1990 = '81.81'  
1991 = '84.31'  
1992 = '86.76'  
1993 = '89.14'  
1994 = '91.53'  
1995 = '93.85'  
1996 = '96.97'  
1997 = '98.62'  
1998 = '100.00'  
1999 = '102.38'  
2000 = '105.01'  
2001 = '107.82'  
2002 = '110.89'  
2003 = '114.33'  
2004 = '118.02'  
2005 = '122.03'  
2006 = '126.28'  
2007 = '130.73'  
2008 = '135.47'  
2009 = '140.20'  
2010 = '144.94'  
2011 = '150.38'  
2012 = '155.82'  
2013 = '161.26'  
2014 = '166.70'  
2015 = '172.14'  
2016 = '178.60'  
2017 = '185.06'  
2018 = '191.53'  
2019 = '197.99'  
2020 = '204.45'  
2021 = '212.12'  
2022 = '219.80'  
2023 = '227.47'  
2024 = '235.15'  
2025 = '242.82'  
2026 = '251.94'  
2027 = '261.05'  
2028 = '270.17'  
2029 = '279.28'  
2030 = '288.40'  
2031 = '299.22'  
2032 = '310.05'  
2033 = '320.87'
```

```
2034 = '331.70'  
2035 = '342.52'  
2036 = '355.38'  
2037 = '368.24'  
2038 = '381.09'  
2039 = '393.95'  
2040 = '406.81'  
2041 = '422.08'  
2042 = '437.35'  
2043 = '452.62'  
2044 = '467.89'  
2045 = '483.16'  
2046 = '501.30'  
2047 = '519.44'  
2048 = '537.57'  
2049 = '555.71'  
2050 = '573.85'  
2051 = '595.39'  
2052 = '616.93'  
2053 = '638.47'  
2054 = '660.01'  
2055 = '681.55'  
2056 = '707.13'  
2057 = '732.72'  
2058 = '758.30'  
2059 = '783.89'  
2060 = '809.47'  
2061 = '839.85'  
2062 = '870.24'  
2063 = '900.62'  
2064 = '931.01'  
2065 = '961.39'  
2066 = '997.48'  
2067 = '1033.57'  
2068 = '1069.66'  
2069 = '1105.75'  
2070 = '1141.84'  
2071 = '1184.70'  
2072 = '1227.56'  
2073 = '1270.42'  
2074 = '1313.28'  
2075 = '1356.14'  
other = 'ERROR'  
;  
run;
```

B.2. Source Code of `ssawage.sas`

This appendix lists the source code of `ssawage.sas`. This file defines a format to map calendar years into the corresponding (projected) Social Security average wage index. Future values are based on intermediate assumptions of assumptions of OASDI Board of Trustees (1998).

Source: OASDI Board of Trustees (1998), Table III.B1. Projections for individual years after 2007 were interpolated linearly.

Source Code

```
proc format;
value ssawage
  1951 = '2799.16'
  1952 = '2973.32'
  1953 = '3139.44'
  1954 = '3155.64'
  1955 = '3301.44'
  1956 = '3532.36'
  1957 = '3641.72'
  1958 = '3673.80'
  1959 = '3855.80'
  1960 = '4007.12'
  1961 = '4086.76'
  1962 = '4291.40'
  1963 = '4396.64'
  1964 = '4576.32'
  1965 = '4658.72'
  1966 = '4938.36'
  1967 = '5213.44'
  1968 = '5571.76'
  1969 = '5893.76'
  1970 = '6186.24'
  1971 = '6497.08'
  1972 = '7133.80'
  1973 = '7580.16'
  1974 = '8030.76'
  1975 = '8630.92'
  1976 = '9226.48'
  1977 = '9779.44'
  1978 = '10556.03'
  1979 = '11479.46'
  1980 = '12513.46'
  1981 = '13773.10'
  1982 = '14531.34'
  1983 = '15239.24'
  1984 = '16135.07'
```

```
1985 = '16822.51'  
1986 = '17321.82'  
1987 = '18426.51'  
1988 = '19334.04'  
1989 = '20099.55'  
1990 = '21027.98'  
1991 = '21811.60'  
1992 = '22935.42'  
1993 = '23132.67'  
1994 = '23753.53'  
1995 = '24705.66'  
1996 = '25913.90'  
1997 = '27019.16'  
1998 = '27894.53'  
1999 = '28835.56'  
2000 = '29919.10'  
2001 = '30988.90'  
2002 = '32128.11'  
2003 = '33428.05'  
2004 = '34870.86'  
2005 = '36380.25'  
2006 = '37952.99'  
2007 = '39613.01'  
2008 = '41433.80'  
2009 = '43254.59'  
2010 = '45075.38'  
2011 = '47241.08'  
2012 = '49406.78'  
2013 = '51572.47'  
2014 = '53738.17'  
2015 = '55903.87'  
2016 = '58589.84'  
2017 = '61275.81'  
2018 = '63961.77'  
2019 = '66647.74'  
2020 = '69333.71'  
2021 = '72664.93'  
2022 = '75996.15'  
2023 = '79327.36'  
2024 = '82658.58'  
2025 = '85989.80'  
2026 = '90121.27'  
2027 = '94252.75'  
2028 = '98384.23'  
2029 = '102515.71'  
2030 = '106647.19'  
2031 = '111771.17'  
2032 = '116895.16'  
2033 = '122019.14'  
2034 = '127143.12'  
2035 = '132267.11'  
2036 = '138622.03'
```

```
2037 = '144976.95'  
2038 = '151331.89'  
2039 = '157686.81'  
2040 = '164041.73'  
2041 = '171923.31'  
2042 = '179804.88'  
2043 = '187686.45'  
2044 = '195568.02'  
2045 = '203449.59'  
2046 = '213224.56'  
2047 = '222999.53'  
2048 = '232774.52'  
2049 = '242549.48'  
2050 = '252324.45'  
2051 = '264447.69'  
2052 = '276570.91'  
2053 = '288694.12'  
2054 = '300817.34'  
2055 = '312940.56'  
2056 = '327976.16'  
2057 = '343011.72'  
2058 = '358047.31'  
2059 = '373082.88'  
2060 = '388118.47'  
2061 = '406766.06'  
2062 = '425413.66'  
2063 = '444061.28'  
2064 = '462708.88'  
2065 = '481356.47'  
2066 = '504483.81'  
2067 = '527611.12'  
2068 = '550738.44'  
2069 = '573865.81'  
2070 = '596993.12'  
2071 = '625676.31'  
2072 = '654359.56'  
2073 = '683042.75'  
2074 = '711726.00'  
2075 = '740409.19'  
other = 'ERROR'  
;  
run;
```

B.3. Source Code of `marstat.sas`

This appendix lists the source code of `marstat.sas`. This file defines a macro to determine an individual's (projected) marital status as of a certain date. Historical values correspond to information in the Survey of Income and Program Participation (SIPP); future values follow from MINT's demographic projections. For married individuals, the macro also returns the marriage order number.

The line numbers on the far left of the listing are not part of the code. They are included to ease description of the code. They do not appear in the actual source code.

Source Code

```

1  /*****
2  /*
3  /*  Define macro to figure out demographic status of
4  /*  a certain date.
5  /*
6  /*  Arguments:
7  /*      date    [in] SAS date (days since 1/1/1960)
8  /*      status [out] marital status as of date:
9  /*              0 = never married
10 /*             1 = married
11 /*             2 = widowed
12 /*             3 = divorced
13 /*             4 = deceased
14 /*      marnum [out] marriage number (if status=1, 2, or 3)
15 /*
16 /*  Requires that the following variables and arrays have
17 /*  been defined in the data step:
18 /*      nummar      # marriages until death
19 /*      deathdte    Date of death
20 /*      howend1-howend12  How did marriage end?
21 /*      marb_1-marb_12  Wedding date
22 /*      mare_1-mare_12  Marriage dissolution date
23 /*      spbdat1-spbdat12  Spousal birth date
24 /*
25 /*  Note: the following arrays must have been defined in the
26 /*  calling program:
27 /*      array howend(*)  howend1-howend12;
28 /*      array marb(*)    marb_1-marb_12;
29 /*      array mare(*)    mare_1-mare_12;
30 /*      array spbdat(*)  spbdat1-spbdat12;
31 /*
32 /*  Note: this macro is similar to %figstat used elsewhere in the
33 /*  MINT project. It differs in that %marstat returns the marriage
34 /*  number.
35 /*
36 /*  Stan Panis, 2 August 1999
37 /*
38  *****/
39

```



```

40 %macro marstat(date,status,marnum);
41   &status=.;
42   &marnum=.;
43   if (deathdte^=. and &date>=deathdte) then &status=4; /* deceased */
44   else if (nummar=0) then &status=0; /* never married */
45   else if (&date<marb(1)) then &status=0; /* never married */
46   else do;
47     do ii=1 to nummar while (&status=.);
48       if (marb(ii)<=&date<mare(ii)) then do;
49         &status=1; /* married */
50       end; else if (&date<marb(ii)) then do;
51         if (howend(ii-1)=0) then &status=1; /* married */
52         else if (howend(ii-1)=1) then &status=3; /* divorced */
53         else if (howend(ii-1)=2) then &status=2; /* widowed */
54         else if (howend(ii-1)=3) then &status=4; /* deceased */
55         else put "Error 1 in program logic!";
56       end; else if (ii=nummar and &date>=mare(nummar)) then do;
57         if (howend(ii)=0) then &status=1; /* married */
58         else if (howend(ii)=1) then &status=3; /* divorced */
59         else if (howend(ii)=2) then &status=2; /* widowed */
60         else if (howend(ii)=3) then &status=4; /* deceased */
61         else put "Error 2 in program logic!";
62       end;
63       if (&status=1 or &status=2 or &status=3) then &marnum=ii;
64     end;
65   end;
66   if (&status=.) then put "Error 3 in program logic!";
67   drop ii;
68 %mend;

```

B.4. Source Code of computax.sas

This appendix lists the source code of computax, the main macro to compute MINT tax liabilities.

The line numbers on the far left of the listing are not part of the code. They are included to ease description of the code. They do not appear in the actual source code.

Source Code

```

1 %macro computax(year,assetinc,fedtax,ficatax,statetax);
2
3   /* Macro to compute or approximate federal income tax, Federal      */
4   /* Insurance Contributions Act (FICA), and state total tax liability.  */
5   /* liability. Arguments:                                             */
6   /*                                                                    */
7   /*   year      = fiscal year, e.g., 2020                             */
8   /*   assetinc  = array with asset income flows, e.g., inci          */
9   /*   fedtax    = federal income taxes owed                           */
10  /*   statetax  = state total taxes owed                               */
11  /*   ficatax   = Federal Insurance Contributions Act taxes owed       */
12  /*                                                                    */
13  /* This macro is extensively documented in User's Guide to SSA's      */
14  /* MINT Tax Model, Klerman and Panis, August 1999.                    */
15  /*                                                                    */
16  /* Jacob Klerman and Stan Panis, 11 August 1999                      */
17
18  /* State total tax liability is lambda times federal income tax        */
19  /* liability.                                                            */
20  %let lambda=0.835;
21
22  /* Fraction of annuitized wealth (asset income) that is taxable      */
23  %let gamma=1;
24
25  length cpi ssawage 4;
26  format &fedtax &ficatax &statetax 8.2;
27
28  /* Check the validity of the year */
29  if (&year<1990 or &year>2031) then do;
30    put "ERROR: year input to computax must be between 1990 and 2031.";
31    abort;
32  end;
33
34  /* Compute some basic variables:                                       */
35  /*   married = indicator for married as of January 1 of next year      */
36  /*   Note: recently widowed may file as married.                       */
37  /*   age     = age as of December 31                                    */
38  /*   spage   = spousal age, if any, as of December 31                 */
39  /*   cpi     = Consumer Price Index for fiscal year                    */
40  /*   ssawage = Social Security average earnings for fiscal year        */
41  tmp = mdy(1,1,&year+1);
42  %marstat(tmp,married,marnum);

```

```

43   if (married=2) then do;  /* widowed */
44       /* If widowed in reference year, survivor may file as married */
45       if (year(mare(marnum))=&year) then married=1;
46   end;
47   married = (married=1);
48   age = &year-year(brthdate);  /* age as of end of year */
49   if (married=1) then spage = &year - year(spbddate(marnum));
50
51
52   cpi = put(&year,cpi.)/put(1998,cpi.);
53   ssawage = put(&year,ssawage.);
54
55   /* Four classes of income (all in current dollars)          */
56   /*   cei = couple's earned income                          */
57   /*   cdb = couple's defined benefit pension income          */
58   /*   cra = couple's taxable return on assets                */
59   /*   css = couple's Social Security benefits                */
60   /* Note: imputed rental income is not subject to taxation. */
61
62   /* earned income (keep track of both spouses because of FICA) */
63   if (married=0) then do;
64       hei = inde(&year) * ssawage;
65       cei = hei;
66   end; else do;
67       hei = inde(&year) * ssawage;
68       sei = sern(&year) * ssawage;
69       cei = hei+sei;
70   end;
71
72   /* defined benefit pension payments */
73   if (married=0) then cdb = hpen(&year) * ssawage;
74   else cdb = (hpen(&year) + spen(&year)) * ssawage;
75
76   /* return on financial assets (fraction gamma assumed taxable) */
77   cra = &gamma * &assetinc(&year)*ssawage;
78
79   /* taxable social security income */
80   if (married=0) then css = ssb(&year) * ssawage;
81   else css = (ssb(&year) + sssb(&year)) * ssawage;
82   /* SS benefit taxability rules                                */
83   /* For SS benefit taxability test, income is defined as AGI   */
84   /* w/o SS benefits plus half SS benefits.                      */
85   definc=cei+cdb+cra+0.5*css;
86   /* Code below follows worksheet on page 27 of the 1998 Form 1040A */
87   /* instructions. N.B.: These cutoffs are NOT indexed.         */
88   if (married=0) then do; W8=25000; W10=9000; end;
89   else do; W8=32000; W10=12000; end;
90   W9 =max(definc-W8, 0);
91   W11=max(W9-W10, 0);
92   W12=min(W9, W10);
93   W14=min(0.5*css, 0.5*W12);
94   W15=max(0.85*W11, 0);
95   acss=min(W14+W15, 0.85*css);
96
97   /******
98   /* Federal income tax
99   /* Variable names indicate line number on the 1998 Form 1040A

```

```

100  /*****
101
102  A18 = cei+cdb+acss+cra;    /* Adjusted Gross Income */
103
104  /* Standard deduction */
105  if (married=0) then do;
106      A20a = (age>=65);
107      if (A20a=0) then A21 = 4250*cpi;
108      else if (A20a=1) then A21 = 5300*cpi;
109  end; else do;
110      A20a = (age>=65) + (spage>=65);
111      if (A20a=0) then A21 = 7100*cpi;
112      else if (A20a=1) then A21 = 7950*cpi;
113      else if (A20a=2) then A21 = 8800*cpi;
114  end;
115  A22 = max(0, A18-A21);
116
117  /* Personal exemptions */
118  if (married=0) then A23 = 1*2700*cpi;
119  else A23 = 2*2700*cpi;
120  A24 = max(0, A22-A23);
121
122  /* federal income tax (marginal and incremental marginal rates) */
123  ftr1=0.150;
124  ftr2=0.280;
125  ftr3=0.310;
126  ftr4=0.360;
127  ftr5=0.396;
128  fitr1=ftr1;
129  fitr2=ftr2-ftr1;
130  fitr3=ftr3-ftr2;
131  fitr4=ftr4-ftr3;
132  fitr5=ftr5-ftr4;
133
134  if (married=0) then do;
135      ftbrac1= 25350*cpi;
136      ftbrac2= 61400*cpi;
137      ftbrac3=128100*cpi;
138      ftbrac4=278450*cpi;
139  end; else do;
140      ftbrac1= 42350*cpi;
141      ftbrac2=102300*cpi;
142      ftbrac3=155950*cpi;
143      ftbrac4=278450*cpi;
144  end;
145
146  /* Federal income tax */
147  &fedtax = fitr1*max(0,A24)+
148             fitr2*max(0,A24-ftbrac1)+
149             fitr3*max(0,A24-ftbrac2)+
150             fitr4*max(0,A24-ftbrac3)+
151             fitr5*max(0,A24-ftbrac4);
152
153  /* Tax credit for the elderly and disabled (1998 Form 1040 */
154  /* Schedule 3). MINT excludes DI so only taxcredit for */
155  /* elderly is accounted for. */
156  C10=0;

```

```

157     C15=0;
158     if (married=0) then do;
159         if (age>=65) then do;
160             C10=5000*cpi;
161             C15=7500*cpi;
162         end;
163     end; else do;
164         tmp = (age>=65) + (spage>=65);
165         if (tmp=1) then do;
166             C10= 5000*cpi;
167             C15=10000*cpi;
168         end; else if (tmp=2) then do;
169             C10= 7500*cpi;
170             C15=10000*cpi;
171         end;
172     end;
173     C13a=max(0,css-acss);
174     C16=max(0,A18-C15);
175     C18=C13a+0.5*C16;
176     A27=0.15*max(0,C10-C18);
177     &fedtax = &fedtax - A27;
178
179     /* Federal Insurance Contributions Act (FICA) tax. */
180     /* OASDI capped at $68,400 in 1998, indexed by SSA average wage. */
181     ficacap = 68400*put(&year,ssawage.)/put(1998,ssawage.);
182     if (married=0) then &ficatax = 0.0620*min(hei, ficacap) + 0.0145*hei;
183     else &ficatax = 0.0620*min(hei, ficacap) +
184                 0.0620*min(sei, ficacap) +
185                 0.0145*cei;
186
187     /* Estimated state total tax */
188     &statetax = &lambda*fedtax;
189
190     drop married age spage cpi ssawage hei sei cei cdb cra css acss
191         marnum defincW8 W10 W9 W11 W12 W14 W15 A18 A20a A21
192         A22 A23 A24 A27 C10 C15 C13a C16 C18 tmp
193         ftr1 fitr1 ftr2 fitr2 ftr3 fitr3 ftr4 fitr4
194         ftr5 fitr5 ftbrac1 ftbrac2 ftbrac3 ftbrac4 ficacap;
195 %mend;

```

B.5. 1998 U.S. Individual Income Tax Return Form 1040A

Form 1040A U.S. Individual Income Tax Return 1998

Department of the Treasury—Internal Revenue Service

IRS Use Only—Do not write or staple in this space.

OMB No. 1545-0085

Label
(See page 18.)

Use the IRS label.
Otherwise, please print or type.

LABEL HERE

Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see page 19.		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 19.		

▲ IMPORTANT! ▲
You **must** enter your SSN(s) above.

Presidential Election Campaign Fund (See page 19.)
Do you want \$3 to go to this fund? ☐ Yes ☐ No
If a joint return, does your spouse want \$3 to go to this fund? ☐ Yes ☐ No

Note: Checking "Yes" will not change your tax or reduce your refund.

Filing status

Check only one box.

1 ☐ Single

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security number above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See page 20.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 21.)

Exemptions

6a ☐ Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a.

b ☐ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualified child for child tax credit (see page 22)	No. of boxes checked on 6a and 6b	No. of your children on 6c who:
				<input type="checkbox"/>		• lived with you
				<input type="checkbox"/>		• did not live with you due to divorce or separation (see page 23)
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		

Dependents on 6c not entered above

Add numbers entered on lines above

d Total number of exemptions claimed.

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7

8a Taxable interest. Attach Schedule 1 if required. 8a

b Tax-exempt interest. DO NOT include on line 8a. 8b

9 Ordinary dividends. Attach Schedule 1 if required. 9

10a Total IRA distributions. 10a

10b Taxable amount (see page 24). 10b

11a Total pensions and annuities. 11a

11b Taxable amount (see page 25). 11b

12 Unemployment compensation. 12

13a Social security benefits. 13a

13b Taxable amount (see page 27). 13b

14 Add lines 7 through 13b (far right column). This is your **total income**. ▶ 14

Adjusted gross income

15 IRA deduction (see page 28). 15

16 Student loan interest deduction (see page 28). 16

17 Add lines 15 and 16. These are your **total adjustments**. 17

18 Subtract line 17 from line 14. This is your **adjusted gross income**.
If under \$30,095 (under \$10,030 if a child did not live with you), see the EIC instructions on page 36. ▶ 18

Attach Copy B of your Forms W-2 and 1099-R here.

If you did not get a W-2, see page 24.

Enclose, but do not staple, any payment.

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Taxable income	19 Enter the amount from line 18.	19
Tax, credits, and payments	20a Check <input type="checkbox"/> You were 65 or older <input type="checkbox"/> Blind } Enter number of boxes checked 20a if: <input type="checkbox"/> Spouse was 65 or older <input type="checkbox"/> Blind	
	b If you are married filing separately and your spouse itemizes deductions, see page 30 and check here 20b <input type="checkbox"/>	
	21 Enter the standard deduction for your filing status. But see page 31 if you checked any box on line 20a or 20b OR if someone can claim you as a dependent. • Single—\$4,250 • Married filing jointly or Qualifying widow(er)—\$7,100 • Head of household—\$6,250 • Married filing separately—\$3,550	21
	22 Subtract line 21 from line 19. If line 21 is more than line 19, enter -0-. 23 Multiply \$2,700 by the total number of exemptions claimed on line 6d. 24 Subtract line 23 from line 22. If line 23 is more than line 22, enter -0-. This is your taxable income .	24
Refund	25 Find the tax on the amount on line 24 (see page 31).	25
	26 Credit for child and dependent care expenses. Attach Schedule 2.	26
	27 Credit for the elderly or the disabled. Attach Schedule 3.	27
	28 Child tax credit (see page 32).	28
	29 Education credits. Attach Form 8863.	29
	30 Adoption credit. Attach Form 8839.	30
	31 Add lines 26 through 30. These are your total credits .	31
	32 Subtract line 31 from line 25. If line 31 is more than line 25, enter -0-.	32
	33 Advance earned income credit payments from Form(s) W-2.	33
	34 Add lines 32 and 33. This is your total tax .	34
Sign here	35 Total Federal income tax withheld from Forms W-2 and 1099.	35
	36 1998 estimated tax payments and amount applied from 1997 return.	36
	37a Earned income credit. Attach Schedule EIC if you have a qualifying child.	37a
	b Nontaxable earned income: amount and type	
	38 Additional child tax credit. Attach Form 8812.	38
Amount you owe	39 Add lines 35, 36, 37a, and 38. These are your total payments .	39
	40 If line 39 is more than line 34, subtract line 34 from line 39. This is the amount you overpaid .	40
	41a Amount of line 40 you want refunded to you .	41a
	b Routing number c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings d Account number 	
Paid preparer's use only	42 Amount of line 40 you want applied to your 1999 estimated tax .	42
	43 If line 34 is more than line 39, subtract line 39 from line 34. This is the amount you owe . For details on how to pay, see page 44.	43
44 Estimated tax penalty (see page 44).		
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.		
Your signature _____ Date _____ Your occupation _____ Daytime telephone number (optional) _____ Spouse's signature, if joint return, BOTH must sign. _____ Date _____ Spouse's occupation _____		
Preparer's signature _____ Date _____ Check if self-employed <input type="checkbox"/> Preparer's social security no. _____ Firm's name (or yours if self-employed) and address _____ EIN _____ ZIP code _____		

B.6. 1998 Form 1040A—Social Security Benefits Worksheet

Social Security Benefits Worksheet—Lines 13a and 13b (keep for your records)



If you are married filing separately and you **lived apart** from your spouse for all of 1998, enter "D" in the space to the right of the word "benefits" on line 13a.

1. Enter the total amount from **box 5** of **all** your **Forms SSA-1099** and **Forms RRB-1099** 1. _____
Note: If line 1 is zero or less, **stop**; none of your social security benefits are taxable. Otherwise, go to line 2.
2. Enter one-half of line 1 2. _____
3. Add the amounts on Form 1040A, lines 7, 8a, 9, 10b, 11b, and 12. Do not include amounts from box 5 of Forms SSA-1099 or RRB-1099. 3. _____
4. Enter the amount, if any, from Form 1040A, line 8b 4. _____
5. Add lines 2, 3, and 4 5. _____
6. Enter the amount, if any, from Form 1040A, line 15 6. _____
7. Subtract line 6 from line 5 7. _____
8. Enter: \$25,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 1998; \$32,000 if married filing jointly; -0- if married filing separately and you lived with your spouse at any time during 1998 8. _____
9. Subtract line 8 from line 7. If zero or less, enter -0- 9. _____
- Is line 9 more than zero?**
No. Stop; none of your social security benefits are taxable. You do not have to enter any amount on line 13a or 13b of Form 1040A. **But** if you are married filing separately and you **lived apart** from your spouse for all of 1998, enter -0- on line 13b. Be sure to enter "D" to the right of the word "benefits" on line 13a.
Yes. Go to line 10.
10. Enter: \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 1998; \$12,000 if married filing jointly; -0- if married filing separately and you lived with your spouse at any time during 1998 10. _____
11. Subtract line 10 from line 9. If zero or less, enter -0- 11. _____
12. Enter the **smaller** of line 9 or line 10 12. _____
13. Enter one-half of line 12 13. _____
14. Enter the **smaller** of line 2 or line 13 14. _____
15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- 15. _____
16. Add lines 14 and 15 16. _____
17. Multiply line 1 by 85% (.85) 17. _____
18. **Taxable social security benefits.** Enter the **smaller** of line 16 or line 17 18. _____
 - Enter the amount from line 1 on Form 1040A, line 13a.
 - Enter the amount from line 18 on Form 1040A, line 13b.



If part of your benefits are taxable for 1998 **and** they include benefits paid in 1998 that were for an earlier year, you may be able to reduce the taxable amount shown on the worksheet. See Pub. 915 for details.

B.7. 1998 Form 1040A—Schedule 3

Schedule 3 (Form 1040A)

Department of the Treasury—Internal Revenue Service

Credit for the Elderly or the Disabled for Form 1040A Filers

(99) 1998

OMB No. 1545-0085

Name(s) shown on Form 1040A

Your social security number

You may be able to take this credit and reduce your tax if by the end of 1998:

- You were age 65 or older, **OR** • You were under age 65, you retired on **permanent and total** disability, and you received taxable disability income.

But you must also meet other tests. See the separate instructions for Schedule 3.

TIP: In most cases, the IRS can figure the credit for you. See the instructions.

Part I	If your filing status is:	And by the end of 1998:	Check only one box:
Check the box for your filing status and age	Single, Head of household, or Qualifying widow(er) with dependent child	1 You were 65 or older	1 <input type="checkbox"/>
		2 You were under 65 and you retired on permanent and total disability	2 <input type="checkbox"/>
		3 Both spouses were 65 or older	3 <input type="checkbox"/>
		4 Both spouses were under 65, but only one spouse retired on permanent and total disability	4 <input type="checkbox"/>
	Married filing a joint return	5 Both spouses were under 65, and both retired on permanent and total disability	5 <input type="checkbox"/>
		6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability	6 <input type="checkbox"/>
		7 One spouse was 65 or older, and the other spouse was under 65 and NOT retired on permanent and total disability	7 <input type="checkbox"/>
Married filing a separate return	8 You were 65 or older and you lived apart from your spouse for all of 1998	8 <input type="checkbox"/>	
	9 You were under 65, you retired on permanent and total disability, and you lived apart from your spouse for all of 1998	9 <input type="checkbox"/>	

Did you check box 1, 3, 7, or 8?

Yes —————> Skip Part II and complete Part III on the back.
 No —————> Complete Parts II and III.

Part II Statement of permanent and total disability

Complete this part only if you checked box 2, 4, 5, 6, or 9 above.

- IF:** 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician signed line B on the statement, **AND**
- 2 Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 1998, check this box ☐
- If you checked this box, you do not have to get another statement for 1998.
 - If you **did not** check this box, have your physician complete the statement on page 4 of the instructions. You **must** keep the statement for your records.

For Paperwork Reduction Act Notice, see Form 1040A instructions.

Cat. No. 12064K

1998 Schedule 3 (Form 1040A)

1998 Schedule 3 (Form 1040A) page 2

Part III
Figure your credit

10	If you checked (in Part I):	Enter:	
	Box 1, 2, 4, or 7	\$5,000	
	Box 3, 5, or 6	\$7,500	
	Box 8 or 9	\$3,750	10

Did you check box 2, 4, 5, 6, or 9 in Part I?	Yes —→	You must complete line 11.
	No —→	Enter the amount from line 10 on line 12 and go to line 13.

11 • If you checked box 6 in Part I, add \$5,000 to the taxable disability income of the spouse who was under age 65. Enter the total.

• If you checked box 2, 4, or 9 in Part I, enter your taxable disability income.

• If you checked box 5 in Part I, add your taxable disability income to your spouse's taxable disability income. Enter the total.

TIP: For more details on what to include on line 11, see the instructions.

11

12 If you completed line 11, enter the **smaller** of line 10 or line 11; **all others**, enter the amount from line 10.

12

13 Enter the following pensions, annuities, or disability income that you (and your spouse if filing a joint return) received in 1998.

a Nontaxable part of social security benefits, and
Nontaxable part of railroad retirement benefits treated as social security. See instructions.

13a

b Nontaxable veterans' pensions and any other pension, annuity, or disability benefit that is excluded from income under any other provision of law. See instructions.

13b

c Add lines 13a and 13b. (Even though these income items are not taxable, they **must** be included here to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c.

13c

14 Enter the amount from Form 1040A, line 19.

14

15 **If you checked (in Part I):** **Enter:**

Box 1 or 2	\$7,500	
Box 3, 4, 5, 6, or 7	\$10,000	
Box 8 or 9	\$5,000	15

16 Subtract line 15 from line 14. If zero or less, enter -0-.

16

17 Enter one-half of line 16.

17

18 Add lines 13c and 17.

18

19 Subtract line 18 from line 12. If zero or less, **stop**; you **cannot** take the credit. Otherwise, go to line 20.

19

20 Multiply line 19 by 15% (.15). Enter the result here and on Form 1040A, line 27.

20
